May 19, 2015

TO: Members, Subcommittee on Energy and Power

FROM: Committee Majority Staff

RE: Hearing entitled "Quadrennial Energy Review and Related Discussion Drafts"

I. INTRODUCTION

On Thursday, May 21, 2015, at 10:00 a.m. in 2123 Rayburn House Office Building, the Subcommittee on Energy and Power will hold a hearing entitled "Quadrennial Energy Review and Related Discussion Drafts."

II. WITNESSES

• Dr. Ernest Moniz, Secretary, U.S. Department of Energy

III. BACKGROUND

A. The Quadrennial Energy Review

In June 2013, President Obama initiated a quadrennial cycle of energy reviews through the President's "Climate Action Plan." On January 9, 2014, President Obama issued a Presidential Memorandum directing the Administration to conduct a Quadrennial Energy Review (QER). On April 21, 2015, the first installment of the QER was released, focused on energy transmission, storage, and distribution infrastructure (TS&D). Planned annual installments of the QER over the ensuing four years are to focus on resource extraction and processing, energy transport and storage infrastructure, electricity generation, and energy end-use.

The QER is overseen by an interagency QER task force, co-chaired by the Director of the Office of Science and Technology Policy and the Director of the Domestic Policy Council. The task force is comprised of 22 agencies. The President directed the Secretary of Energy to provide support for the interagency QER task force, including support for coordination activities related to the preparation of the QER report, policy analysis, modeling and stakeholder engagement. The Department of Energy's (DOE) Office of Energy Policy and Systems Analysis (EPSA) serves as the Secretariat of the multi-agency QER, and provides systems analysis to support the Administration's initiative. DOE's FY 2015 Budget Request included a \$19.3 million increase for EPSA "to enable a more robust energy policy development process and strengthened institutional support for grid modernization and Quadrennial Energy Review

² See Presidential Memorandum Establishing a Quadrennial Energy Review. (January 9, 2014).

¹ See The President's Climate Action Plan. (June 2013).

Majority Memorandum for May 21, 2015, Subcommittee on Energy Power Hearing Page 2

activities." DOE's FY 2016 Budget Request included a \$3.8 million increase for EPSA, to support "follow-on phases of the Quadrennial Energy Review activities."

The first installment of the QER is intended to be an "actionable document," designed to provide unbiased data and analysis on energy challenges, needs, requirements, and barriers involving energy TS&D infrastructure.³ The QER makes a number of recommendations in the following areas:

- Increasing the resilience, reliability, safety and asset security of TS&D infrastructure
- Modernizing the electric grid
- Modernizing U.S. energy security infrastructures in a changing global marketplace
- Improving shared transport infrastructures
- Integrating North American energy markets
- Addressing environmental aspects of TS&D infrastructure
- Enhancing employment and workforce training
- Siting and permitting of TS&D infrastructure

B. Architecture of Abundance Discussion Drafts

In February 2015, the House Energy and Commerce Committee released the "Architecture of Abundance" framework for comprehensive energy legislation. The associated discussion drafts address four key policy areas:

- Modernizing infrastructure
- Sustaining a 21st century energy and manufacturing workforce
- Advancing energy diplomacy in a changing world
- Promoting energy efficiency and government accountability

To date, the Subcommittee has held legislative hearings on the following discussion drafts: Title II: 21st Century Workforce, ⁴ Strategic Petroleum Reserve Mission Readiness Plan, Title IV Energy Efficiency and Accountability, ⁵ FERC Process Coordination, Hydropower Regulatory Modernization, ⁶ and Energy Reliability and Security. ⁷

On May 19, 2015, the discussion draft entitled "Title III – Energy Diplomacy" was released. The draft responds to fundamental changes in world energy markets implicating

³ See Quadrennial Energy Review: Energy Transmission, Storage, and Distribution Infrastructure. (April 2015).

⁴ See <u>hearing entitled "Title II: 21st Century Workforce,"</u> held on April 23, 2015, by the Committee on Energy and Commerce, Subcommittee on Energy and Power

⁵ See hearing entitled "Strategic Petroleum Reserve Discussion Draft and Title IV Energy Efficiency," held on April 30, 2015, by the Committee on Energy and Commerce, Subcommittee on Energy and Power

⁶ See hearing entitled "Discussion Drafts Addressing Hydropower Regulatory Modernization and FERC Process Coordination under the Natural Gas Act," held on May 13, 2015, by the Committee on Energy and Commerce, Subcommittee on Energy and Power

⁷ See <u>hearing entitled "Discussion Draft Addressing Energy Reliability and Security,"</u> held on May 19, 2015, by the Committee on Energy and Commerce, Subcommittee on Energy and Power

⁸ See discussion draft entitled "Title III – Energy Diplomacy."

Majority Memorandum for May 21, 2015, Subcommittee on Energy Power Hearing Page 3

energy supply, distribution, and use. The draft seeks to advance energy diplomacy by improving coordination and planning, and removing barriers to trade among allies and partners of the United States. A legislative hearing on the discussion draft will be held on June 2, 2015.

IV. ISSUES

The following issues may be examined at the hearing:

- Quadrennial Energy Review findings and legislative recommendations
- Architecture of Abundance discussion drafts

V. STAFF CONTACTS

If you have any questions regarding this hearing, please contact Brandon Mooney, Patrick Currier, or Tom Hassenboehler of the Committee staff at (202) 225-2927.